

# VALLEY CENTER MUNICIPAL WATER DISTRICT

Regular Board Meeting  
Monday, July 16, 2018  
Time: 2:00 P.M.  
Place: Board Room  
29300 Valley Center Road  
Valley Center, CA 92082

The Valley Center Municipal Water District Board of Directors' meeting was called to order by President Polito at 2:00 P.M.

## **ROLL CALL**

Board members present were: Directors Polito, Haskell, Broomell, and Ferro. Staff members present were: General Manager Arant, General Counsel de Sousa Mills, District Engineer Grabbe, Director of Operations Hoyle, Finance Director Pugh, IT Director Pilve, Manager of Accounting Velasquez, Safety and Regulatory Compliance Supervisor Olson, Project Manager Carrillo, Administrative Assistant Williams and Sr. Administrative Assistant Lovelady. Spectators present were: Jacqueline Howells – HGR.

## **CONSENT CALENDAR**

### **1. Upon motion by Haskell, seconded by Broomell and unanimously carried, the following consent calendar items were approved:**

- Minutes of the Board meeting held June 18, 2018.
- Audit demand check numbers 151725 through 151924 for June 8 through July 5, 2018 and wire disbursements for June 2018
- Treasurer's Report for month ended May 31, 2018.
- Quarterly report of employees' expense reimbursements for the quarter ending June 30, 2018.
- Board of Directors request for per diem compensation and report of expense reimbursements.
- Bid Results and Authorization to Purchase one (1) 2019 SUV vehicle

Due to a late arriving board member, the scheduled public hearings were moved to the end of the board meeting.

## **ACTION AGENDA**

### **2. Ordinance Setting FY 2018-2019 Annual Assessments for the Woods Valley Ranch Wastewater Expansion Project, Assessment District 2012-1:**

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Approval of annual assessments for properties in Assessment District 2012-1 was presented by District Engineer Grabbe for fiscal year 2018-2019. This assessment is for the payment of debt service for the State Revolving Fund Loan secured to pay for the Woods Valley Ranch Expansion construction costs. This fixed charge special assessment will be levied on the tax roll and is recommended to remain the same as last year pending completion of the North Village Collection System project and consideration of the proposed Community Facilities District for the Touchstone projects.

The assessment roll includes five minor modifications that have been requested by property owner participants in the assessment district. These modifications do not adversely affect the project or the overall value to lien ratios.

**Upon motion by Broomell, seconded by Haskell and unanimously carried, the following ordinance, entitled:**

**ORDINANCE NO. 2018-15**

**ORDINANCE OF THE BOARD OF DIRECTORS OF VALLEY CENTER  
MUNICIPAL WATER DISTRICT PLACING FIXED CHARGE SPECIAL  
ASSESSMENTS FOR FISCAL YEAR 2018-2019 ON PROPERTY WITHIN  
ASSESSMENT DISTRICT NO. 2012-1 ON THE SAN DIEGO COUNTY  
SECURED PROPERTY TAX ROLL**

**was adopted by the following vote, to wit:**

**AYES: Directors Polito, Haskell, and Broomell**

**NOES: None**

**ABSTAIN: None**

**ABSENT: Directors Holtz and Ferro**

**3. Woods Valley Ranch Wastewater Expansion Project – Approval of Amendment No. 7 to Professional Services Agreement with HDR Engineering, Inc.**

An amendment to the Professional Services Agreement with HDR Engineering, Inc. to provide environmental mitigation monitoring and reporting for the North Village Collection System, as part of the Woods Valley Ranch Wastewater Expansion Project, was requested by District Engineer Grabbe. HDR prepared the Environmental Impact Report (EIR) for the Expansion Project. The Expansion Project was separated into four projects and three of which have been completed. The fourth construction contract has been awarded and additional environmental services are needed to monitor compliance with the approved mitigation and reporting plans established and certified with the environmental review documents. Because of HDR's background, history and understanding of the project, having developed the mitigation and monitoring plans for the majority of the project, they

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are the logical choice for providing these services. HDR, under the current contract, has provided mitigation monitoring and reporting services for the Woods Valley Ranch Water Reclamation Facility (WVR WRF) Phase 2 Expansion, Charlan Road Seasonal Storage Facility and the South Village Wastewater Collection System projects. This amendment will extend those services to the North Village Collection System Project recently awarded.

Since the initial EIR, there have been six previous amendments to HDR's agreement: Amendment 1 for increasing the project participation area; Amendment 2 for a mitigation plan summary and estimated mitigation costs for the four proposed construction components; Amendment 3 to provide biological support for rare plants and burrowing owl breeding season surveys; Amendment 4 to provide mitigation compliance monitoring relating to construction of the Phase 2 Expansion Project; Amendment 5 to review CEQA documentation and mitigation compliance for the Charlan Road Seasonal Storage Facility project; Amendment 6 to review CEQA documentation and preparation of a mitigation summary and documentation for the South Village Collection System Project.

Amendment No. 7 is proposed to include mitigation monitoring and reporting for the North Village Collection System Project component.

Funding for the additional work for the North Village Collection System project in the amount of \$3.2 million is included in the proposed \$4.035M Assessment District No. 2012-1 Improvement Bond along with \$0.835M for prior planning expenses, Orchard Run and North Village Lift Station Design and bond issuance costs

Staff recommends adoption of Resolution No. 2018-16, approving Amendment No. 7 to the HDR Engineering, Inc. professional services agreement to provide the CEQA mitigation monitoring. This will bring their total contract authorization amount to \$656,194.50.

**Upon motion by Broomell, seconded by Haskell and unanimously carried, the following Resolution, entitled:**

**RESOLUTION NO. 2018-16**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
VALLEY CENTER MUNICIPAL WATER DISTRICT APPROVING  
AMENDMENT NO. 7 TO THE PROFESSIONAL SERVICES AGREEMENT  
WITH HDR ENGINEERING, INC. FOR MITIGATION MONITORING OF  
THE NORTH VILLAGE WASTEWATER COLLECTION  
SYSTEM PROJECT [PROJECT NO. 16-06-78-56150]**

**was adopted by the following vote, to wit:**

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**AYES: Directors Polito, Haskell and Broomell**

**NOES: None**

**ABSENT: Directors Holtz and Ferro**

**4. Approval of Amended Employment Agreement for General Manager Effective July 1, 2018:**

Prior to taking final action on an executive's compensation, an oral report summarizing the recommended action must be made in open session per the Brown Act. General Counsel de Sousa Mills reported that the Board had conducted its annual performance evaluation and compensation review of the General Manager at the regular meetings on June 4, 2018 and June 18, 2018. Based upon the discussions and completion of successful negotiations, an amended Employment Agreement to be effective July 1, 2018 increasing the General Manager's annual compensation from \$220,300 to \$226,909, along with a performance bonus of \$10,000, was presented for approval.

**Upon motion by Haskell, seconded by Broomell and unanimously carried, with Directors Ferro and Holtz absent, the amended Employment Agreement was approved.**

**GENERAL MANAGER'S AGENDA**

**5. San Diego County Water Authority's Board of Directors Meeting:**

General Manager Arant referred the Board to the SDCWA Board of Directors' Meeting minutes for June 28, 2018.

**6. Miscellaneous:**

District Engineer Grabbe briefly updated the Board on the District's projects that coincide with the County of San Diego's resurfacing and widening projects:

- Old Castle Road Project, and
- Cole Grade Road widening Project.

**GENERAL COUNSEL – NONE TO REPORT**

**BOARD OF DIRECTORS – NONE TO REPORT**

**PUBLIC HEARING**

**7. Public Hearings to Consider Adoption of the Annual Sewer Service Charges and Standby Fees for the Woods Valley Sewer Service Area for FY 2018-19:**

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Five separate public hearings were held to take action on the following Woods Valley Ranch Water Reclamation Facility (WVR WRF) Sewer Service Area Fees and Charges:

- Service Area 1 Sewer Service Charge
- Service Area 1 Sewer Standby Fee
- Service Area 2 Sewer Service Charge
- Service Area 2 Grinder Pump Maintenance Charge
- Service Area 2 Sewer Standby Fee

Service Area 1 encompasses the 270 lot Woods Valley Ranch Subdivision and Golf Course with a total capacity demand of 280 Equivalent Dwelling Units (EDUs). Service Area 2 consists of the parcels participating in the WVR WRF Expansion Project, with a total capacity demand of 1,095 EDUs.

Sewer Service Charges provide for the operation, maintenance and ultimate replacement of the District owned and operated collection, treatment and seasonal storage facilities. It is levied on those properties connected to the wastewater collection system as of July 1, 2018.

Sewer Standby Fees are levied on, and maintain the capacity reservation for, those parcels in the service area that have a capacity reservation but are not connected to the system. The standby fee levy provides for a contribution to the replacement reserves, a portion of the operation and maintenance costs, as required, to maintain the capacity reservation in the system, and the balance of the O&M costs not funded from the service charges and recycled water revenues.

Grinder Pump Maintenance Fees provide funding for the maintenance of the on-site private grinder pump, including emergency call out and repair services, and are levied on those parcels in Service Area 2 with a grinder pump.

District Engineer Grabbe requested that the Board Memo dated 7/16/18, and entitled, ***Public Hearings on the Woods Valley Ranch Water Reclamation Facility (WVR WRF) - Sewer Service charges and Standby Fees (Agenda Items 7.A – 1&2; 7.B – 1,2&3)*** be included in the public record for each of the five Public Hearings to be conducted under Agenda Item 7.

The first public hearing was opened by President Polito at 2:38 p.m. to receive input on the WVR WRF Service Area 1, Sewer Service Charge.

District Engineer Grabbe recommended maintaining the current rate of \$1,183.20 annually per EDU for Service Area 1 and collecting it as a fixed charge special assessment on the tax roll. No written or oral protests were received.

The public hearing was closed at 2:40 p.m.

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Upon motion by Haskell, seconded by Ferro and unanimously carried, the following ordinance, entitled:

**ORDINANCE NO. 2018-10**

**ORDINANCE OF THE BOARD OF DIRECTORS OF THE  
VALLEY CENTER MUNICIPAL WATER DISTRICT PLACING THE WOODS VALLEY  
SERVICE AREA SEWER SERVICE CHARGE ASSESSMENT FOR FY 2018-2019  
ON PROPERTY WITHIN THE WOODS VALLEY SEWER SERVICE AREA ON THE  
SAN DIEGO COUNTY SECURED PROPERTY TAX ROLL**

was adopted by the following vote, to wit:

**AYES:** Directors Polito, Haskell, Broomell, and Ferro

**NOES:** None

**ABSTAIN:** None

**ABSENT:** Director Holtz

District Engineer Grabbe requested that the Board Memo dated 7/16/18, and entitled, *Public Hearings on the Woods Valley Ranch Water Reclamation Facility (WVR WRF) - Sewer Service charges and Standby Fees (Agenda Items 7.A – 1&2; 7.B – 1,2&3)* be included in the public record for each the five Public Hearings to be conducted under Agenda Item 7.

A public hearing was opened by President Polito at 2:41 p.m. to receive input on the WVR WRF Service Area 1, Sewer Standby Fee.

District Engineer Grabbe recommended maintaining the sewer standby fee for Service Area 1, which has only one remaining unconnected parcel, at \$550.32 per EDU annually. This fee is to be collected as a fixed charge special assessment on the tax roll. No written or oral protests were received.

The public hearing was closed at 2:43 p.m.

Upon motion by Broomell, seconded by Ferro and unanimously carried, the following ordinance, entitled:

**ORDINANCE NO. 2018-11**

**ORDINANCE OF THE BOARD OF DIRECTORS OF VALLEY CENTER  
MUNICIPAL WATER DISTRICT PLACING THE WOODS VALLEY SERVICE AREA  
SEWER STANDBY FEE ASSESSMENT FOR FISCAL YEAR 2018-2019 ON  
PROPERTY WITHIN THE WOODS VALLEY SEWER SERVICE AREA  
ON THE SAN DIEGO COUNTY SECURED PROPERTY TAX ROLL**

was adopted by the following vote, to wit:

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**AYES: Directors Polito, Haskell, Broomell, and Ferro**

**NOES: None**

**ABSTAIN: None**

**ABSENT: Director Holtz**

District Engineer Grabbe requested that the Board Memo dated 7/16/18, and entitled, ***Public Hearings on the Woods Valley Ranch Water Reclamation Facility (WVR WRF) - Sewer Service charges and Standby Fees (Agenda Items 7.A – 1&2; 7.B – 1,2&3)*** be included in the public record for each the five Public Hearings to be conducted under Agenda Item 7.

A public hearing was opened by President Polito at 2:44 p.m. to receive input on the WVR WRF Service Area 2, Sewer Service Charge.

District Engineer Grabbe recommended maintaining the current annual sewer service charge of \$1,183.20 per EDU for Service Area 2 and collecting it as a fixed charge special assessment on the tax roll. No written or oral protests were received.

The public hearing was closed at 2:46 p.m.

**Upon motion by Haskell, seconded by Ferro and unanimously carried, the following ordinance, entitled:**

**ORDINANCE NO. 2018-12**

**ORDINANCE OF THE BOARD OF DIRECTORS OF VALLEY CENTER  
MUNICIPAL WATER DISTRICT PLACING THE WOODS VALLEY RANCH  
WATER RECLAMATION FACILITY SERVICE AREA 2 SEWER SERVICE CHARGE  
ASSESSMENT FOR FISCAL YEAR 2018-2019 ON PROPERTY WITHIN THE  
WOODS VALLEY RANCH WATER RECLAMATION FACILITY SERVICE AREA 2  
ON THE SAN DIEGO COUNTY SECURED PROPERTY TAX ROLL**

**was adopted by the following vote, to wit:**

**AYES: Directors Polito, Haskell, Broomell, and Ferro**

**NOES: None**

**ABSTAIN: None**

**ABSENT: Director Holtz**

District Engineer Grabbe requested that the Board Memo dated 7/16/18, and entitled, ***Public Hearings on the Woods Valley Ranch Water Reclamation Facility (WVR WRF) - Sewer Service charges and Standby Fees (Agenda Items 7.A – 1&2; 7.B – 1,2&3)*** be included in the public record for each the five Public Hearings to be conducted under Agenda Item 7.

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A public hearing was opened by President Polito at 2:47 p.m. to receive input on the WVR WRF Service Area 2, Grinder Pump Maintenance Charge.

District Engineer Grabbe recommended increasing the charge to be consistent with the Low Pressure Maintenance Charge for customers receiving the same service at Moosa. The increase is from \$532.32/EDU to \$558.96/EDU annually for the one pump/one EDU configuration (other pump/EDU configurations adjusted accordingly as documented in the Engineer's Report) and collected as a fixed charge special assessment on the tax roll. No written or oral protests were received.

The public hearing was closed at 2:53 p.m.

**Upon motion by Broomell, seconded by Ferro and unanimously carried, the following ordinance, entitled:**

**ORDINANCE NO. 2018-13**

**ORDINANCE OF THE BOARD OF DIRECTORS OF VALLEY CENTER  
MUNICIPAL WATER DISTRICT PLACING THE WOODS VALLEY RANCH  
WATER RECLAMATION FACILITY SERVICE AREA 2 GRINDER PUMP  
MAINTENANCE CHARGE ASSESSMENT FOR FISCAL YEAR 2018-2019  
ON PROPERTY WITHIN THE WOODS VALLEY RANCH WATER  
RECLAMATION FACILITY SERVICE AREA 2 ON THE SAN DIEGO COUNTY  
SECURED PROPERTY TAX ROLL**

**was adopted by the following vote, to wit:**

**AYES: Directors Polito, Haskell, Broomell, and Ferro**

**NOES: None**

**ABSTAIN: None**

**ABSENT: Director Holtz**

A public hearing was opened by President Polito at 2:54 p.m. to receive input on the WVR WRF Service Area 2, Sewer Standby Fee.

District Engineer Grabbe recommended maintaining the current annual sewer standby fee of \$550.32 per EDU to be collected as a fixed charge special assessment on the tax roll. No written or oral protests were received.

The public hearing was closed at 2:56 p.m.

**Upon motion by Ferro, seconded by Haskell and unanimously carried, the following ordinance, entitled:**



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**ORDINANCE NO. 2018-14**

**ORDINANCE OF THE BOARD OF DIRECTORS OF VALLEY CENTER  
MUNICIPAL WATER DISTRICT PLACING THE WOODS VALLEY RANCH  
WATER RECLAMATION FACILITY SERVICE AREA 2 SEWER STANDBY FEE  
ASSESSMENT FOR FISCAL YEAR 2018-2019 ON PROPERTY WITHIN THE  
WOODS VALLEY RANCH WATER RECLAMATION FACILITY SERVICE  
AREA 2 ON THE SAN DIEGO COUNTY SECURED PROPERTY TAX ROLL**

was adopted by the following vote, to wit:

**AYES: Directors Polito, Haskell, Broomell, and Ferro**  
**NOES: None**  
**ABSTAIN: None**  
**ABSENT: Director Holtz**

**ADJOURNMENT**

8. Upon motion by Broomell, seconded by Ferro and unanimously carried, the regular meeting of the Board of Directors was adjourned at 2:58 p.m.

**ATTEST:**

**ATTEST:**

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**President**

\_\_\_\_\_  
**Secretary**

**Approved at a regular meeting of the Board of Directors on August 20, 2018**